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Cynthia K. Cox Executive Director-Federal and State Relations

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FEDERAL COMMUNICATIONS COMMISSION OFFICE OF SECRETARY

Ex Parte

November 6, 1996

Mr. William F. Caton Acting Secretary Federal Communications Commission 1919 M Street N.W., Room 222 Washington, D.C. 20554

Re: CC Docket NO. 95-116, Local Number Portability

Dear Mr. Caton:

Today William Shaughnessy and the undersigned met with Chris Barnekov, Lloyd Collier, Neil Fried and Len Smith of the Competitive Pricing Division of the Common Carrier Bureau to discuss the attached material. Please include this material in the above referenced proceeding.

Two copies of the notice are filed in accordance with Commission rules. Please call me with any questions on this information.

Sincerely,

cc:

C. Barnekov (w/o attachment)

L. Collier (w/o attachment)

N. Fried (w/o attachment)

L. Smith (w/o attachment)

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PEDEFAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Local Number Portability

BellSouth Telecommunications, Inc.

11/5/96

5.4

LNP Cost Recovery Constants

- Costs borne by all telecommunication carriers
- Principle of Competitive Neutrality

1/5/96

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Competitive Neutrality

- Cost recovery mechanism should not impose a disproportionately greater burden on any one telecommunication carrier relative to another
- Cost recovery mechanism should not influence customer's decision to change service providers
- Cost recovery mechanism should ensure that all costs are broadly, fairly, and equitably distributed among all telecommunications service providers

11/5/96

Costs Necessary for LNP

Costs of installing & administering
Regional NPAC / SMS Databases
(TYPE 1)
Plus
Direct Carrier- Specific Costs
(TYPE 2)

Equals Total LNP Costs

- Implementation of LNP is an industry-wide effort
- All Type 1 & Type 2 costs must be incurred for LNP to be successful
- All telecommunications carriers will benefit from LNP

LNP Cost Recovery

 Total LNP costs (Type 1 & Type 2) must be allocated across all telecommunications carriers

 Allocation of Type 1 & Type 2 costs is not subsidization but a simple realization that all carriers benefit and that LNP cannot work without full participation of ILECs

Timely resolution of cost recovery mechanism is imperative

LNP Cost Recovery

- BellSouth Supports SBT's Cost Recovery Proposal for LNP:
 - Allocation of costs based on "elemental access lines"
 - Equitable distribution of costs across carriers;
 - Administratively simple;
 - Mandatory, temporary, uniform end user line charge

11/5/96